



West High Yield (W.H.Y.) Resources Ltd.

**Management Discussion and Analysis
For the three and six months ended
June 30, 2025 and 2024**

Notice to Reader

This management's discussion and analysis ("MD&A") of West High Yield (W.H.Y.) Resources Ltd. (the "Company") contains an analysis of the Company's operational and financial results for the three and six months ended June 30, 2025, in comparison with the same period of last year. This MD&A has been prepared by management as of August 20, 2025 and has been approved by the Company's Audit Committee. This MD&A should be read in conjunction with the Company's accompanying consolidated audited financial statements for the years ended December 31, 2024, and December 31, 2023 and notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "WHY" as well as the Frankfurt exchange under the symbol WHO. The Company's most recent filings, including its audited financial statements and notes thereto for the years ended December 31, 2024, and 2023, are available under the Company's profile on SEDAR+ ("SEDAR") and can be accessed through the internet at <https://www.sedarplus.ca>.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation concerning the business, operations and financial performance and condition of the Company. Statements containing forward-looking information include, but are not limited to, statements with respect to anticipated developments in the Company's operations in future periods; planned exploration activities; the adequacy of the Company's financial resources and other events or conditions that may occur in the future; estimated mineral resources; the ability of the Company to create value for its shareholders; the ability of the Company to meet expected financing requirements; the future price of magnesium; the drill results and related outlooks; the estimation of mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; capital expenditures; permitting time lines and permitting, mining or processing issues; information concerning the interpretation of drill results; success of exploration activities; environmental risks; methods to adjust the capital structure of the Company; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". Statements containing forward-looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such statements, including but not limited to risks related to: current global financial conditions; the need for additional financing and its availability on acceptable terms; the speculative nature of the mining industry; the ability to acquire and abide by necessary licenses, permits and government regulations; unforeseen title matters; environmental risks; competition for future acquisitions and investment; the significant influence of the principal shareholders; related party debt; economic viability of reserves; the ability to satisfy the financial needs required to maintain the Company's status as a going concern; the early stage of the Company's exploration and development operations; the Company's need to rely on technical experts, which may not be available; future dilution to existing shareholders; certain uninsured or uninsurable risks; future resource prices; adverse effects on share prices from factors beyond the Company's control; as well as other factors discussed herein. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those expected in statements containing forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is included herein, except in accordance with applicable securities laws.

Overview

The Company is a publicly traded junior mining exploration company listed on the TSXV, was founded in 2003, and has its head office in Calgary, Alberta. The Company is primarily focused on the acquisition, exploration, and development of mineral properties in Canada with its primary objective to develop its intermediate-advanced stage exploration Record Ridge South Magnesium Property (the "Record Ridge Property") located in RDKB-Lower Columbia/Old Glory - Area B 10.5 km west to southwest of the City of Rossland, British Columbia. The Record Ridge Property is 5 km north of the US - Canada border, in the British Columbia Trail Creek Mining Division. The Company issued its preliminary economic assessment (the "PEA") on its Record Ridge Industrial Mineral Mine (the "RRIMM Project") on June 4, 2013, which is available under the Company's profile on SEDAR. Highlights of the PEA are included below.

The Company retains 100% of the mineral rights to the Record Ridge Property, which consists of 29 contiguous mineral claims, eight crown-granted claims, and one privately owned claim totaling 8,972 hectares. The known magnesium mineralization is located within two of the mineral claims. The infrastructure for the proposed development of the Record Ridge Property is located on mineral tenures controlled by the Company.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on the continued forbearance of the amounts due to related parties and the Company's ability to obtain financing to continue exploration and development of the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue exploration and development activities or of the ongoing forbearance of related parties and other creditors. In addition, there is no certainty that the mineral property will contain economically recoverable reserves. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

1. COMPANY OPERATIONS/CORPORATE OVERVIEW

A public "Notice Of Application" (the "Public Notice"), which is a requirement in the Company's permit process as requested by the British Columbia Ministry of Energy, Mines and Low Carbon Innovation (the "EMLI"), was published on April 18, 2024, in the Rossland News. The Public Notice pertained to the submission of the Company's "Joint Mines Act and Environmental Management Act" permit application for the RRIMM Project that contains 10.6 million tonnes of magnesium and 16 million tonnes of silica. The permit application, filed with the British Columbia Chief Inspector of Mines, was required under Part 10.2.1 of the *Health and Safety Reclamation Code for Mines* in British Columbia.

On April 25, 2024 the Company announced the listing of the Company's common shares on the Frankfurt Stock Exchange (the "FSE") under the trading symbol "W0H", after which the Company's common shares were cross-listed on the TSXV in Canada and the FSE in Germany, aligned with the Company's strategy of introducing European investors and manufacturers to the advanced-stage development of the RRIMM Project. The FSE is one of the world's largest international trading centers (behind only the NASDAQ and NYSE) organized exchange-trading market in terms of turnover and dealings in securities and the electronic trading platform of the FSE, XETRA, has made it the world's second-largest fully electronic cash market responsible for approximately 90 percent of all securities traded in Germany with direct linkage to all other major European financial hubs.

(a) Industrial Minerals Quarry Permit Progress

The Company submitted its initial *Mines Act and Environmental Management Act* (British Columbia) permit application for the RRIMM Project in February 2019, followed by an amended application in February 2022

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responding to Ministry feedback. Subsequent meetings and technical assessments in 2022–2023 led to the completion of the screening process in May 2023, advancing the RRIM Project into the final review phase.

In May and June 2023, the Company held public open houses in Rossland, published a community letter, and launched a project blog to address feedback. In June 2023, the British Columbia Mining Development Review Committee (“MDRC”) review process began, with the Company proposing measures to mitigate dust, noise, and traffic.

On August 8, 2023, the Company signed a Cooperation Agreement with the Osoyoos Indian Band (OIB), whose traditional territory includes the RRIM Project. The OIB conducted its own review of both the initial and amended applications, supporting the RRIM Project’s environmental and economic objectives. Chief Clarence Louie emphasized the agreement’s role in protecting the environment while securing economic benefits for the OIB. The Cooperation Agreement reflects the Company’s commitment to Indigenous engagement, sustainable development, and long-term collaboration.

In October 2023, the amended application was resubmitted, incorporating reduced explosives use, enclosed crushing equipment, and alternate haul routes. The RRIM Project remains in the advanced technical review stage, with most MDRC comments resolved by August 2024.

In May 2024, the British Columbia Environmental Assessment Office (“EAO”) began a discretionary public consultation on whether the RRIM Project should undergo an environmental assessment (“EA”), despite being below the EAA thresholds. On August 15, 2024, the EAO reclassified the RRIM Project under mineral mine thresholds, requiring production to remain under 75,000 tpa to avoid an EA.

Following meetings with EMLI and MDRC in August–September 2024, the Company amended its plan to 63,500 tpa—15% below the EA threshold—and submitted the revised application on September 17, 2024.

On April 9, 2025, BC Minister of Environment and Parks Tamara Davidson and the EAO received an application from the Save Record Ridge Action Committee Society (SRRAC) requesting that the RRIM Project be designated as a reviewable project under the Environmental Assessment Act (EAA). The EAO’s Draft Report, issued in response on May 21, 2025, concluded that the RRIM Project does not require designation, as its potential environmental effects are being appropriately addressed under existing regulatory processes, including the *Mines Act and Environmental Management Act* (British Columbia). The EAO invited stakeholder feedback by June 4, 2025, later extending the deadline. The EAO’s final report on this matter is pending.

(b) Road Construction and Mine Site Development

In March 2024, the Company engaged SNT Geotechnical Ltd. (“SNT”), of Nelson, British Columbia, to provide a detailed design for its mine access road from the Cascade Highway to the RRIMM Project site. SNT coordinated with SNT Engineering Ltd. and SRK Consulting (Canada) Inc., who provided a general mine plan and a preliminary road design. Afterward, both SNT and SNT Engineering Ltd. conducted a site survey to establish the road centerline and are currently working on the detailed road design. Once completed, the detailed design will be used by Skemxist Solutions (“SKM”) and Sutherland Group of Companies (“SGC”) to provide their final proposal for road construction and mine site development.

In June 2024, the Company signed a letter of intent (the “LOI”) with SKM, an OIB limited partnership with SGC. The LOI contemplates the provision of road construction, site preparation, mining operations and various support services to the Company for its RRIMM Project.

In July 2024, SNT conducted terrain stability assessment (the “TSA”) field work to ensure that the road’s construction, design, and usage do not negatively affect terrain stability, especially in areas with slopes, watercourses, or other sensitive geological features. The TSA included site analysis, design considerations, risk mitigation, and regulatory compliance, with the main objective of minimizing environmental impact.

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On November 13, 2024, SNT provided the final TSA report for the mine access road at the Record Ridge Property, including the “geometric road design” by SNT Engineering.

(c) Brokered and Non-Brokered Private Placements

On March 10, 2025 the Company completed the first tranche closing of a new non-brokered private placement offering of units by issuing 2,931,391 units at a price of \$0.23 per unit for total gross proceeds of \$674,220. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

On March 25, 2025 the Company completed the final tranche closing of the above noted non-brokered private placement offering of units by issuing 1,737,899 units at a price of \$0.23 per unit for total gross proceeds of \$399,717. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

(d) Other Share Issuances

On June 2, 2025, the Company issued 330,000 shares from the exercise of 330,000 warrants at \$0.30 per warrant for an aggregate amount of \$99,000.

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2. Results of Operations

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
Head Office Expenses				
Office salaries and benefits	\$118,746	\$96,464	\$211,020	\$188,092
Legal, audit, and accounting	143,323	215,823	299,265	307,616
Promotion and investor relations	53,779	50,272	110,100	119,252
Travel	-	7,502	-	9,867
Other office costs	38,153	15,420	76,827	35,699
Total Head Office Costs	354,001	385,481	697,213	660,526
Exploration Expenses				
Accommodation and meals	-	6,940	-	6,940
Indigenous and First Nations	11,191	-	11,191	-
Assay	2,957	61,441	7,111	65,841
Drilling	-	5,395	-	5,395
Permitting	-	50,000	-	50,000
Reporting	11,375	1,350	21,875	1,350
Geochemical sampling surveys	11,000	-	11,000	-
Legal	4,040	46,497	5,044	46,839
Consulting and labour	125,881	229,131	193,539	345,822
Freight and equipment transport	122	2,833	122	3,541
Field equipment supplies	2,011	4,655	2,011	4,655
Environment	-	(36,000)	-	-
Miscellaneous field office	-	415	-	2,637
Project management	-	3,500	-	3,500
GIC and data management	-	5,173	-	5,173
Core logging	-	41,875	-	41,875
Geology and mapping	-	2,500	-	25,036
Property and mineral taxes	192	3,824	192	3,824
Utilities	(409)	-	1,582	-
Total Exploration Costs	168,360	429,529	253,667	612,429
Interest and bank charges	110,386	54,201	218,715	108,293
Interest and Bank Charges	110,386	54,201	218,715	108,293
Non-cash expenses				
Depreciation and amortization	2,509	5,445	4,954	10,856
Accretion	216,887	-	420,326	-
Stock based compensation	24,555	-	24,555	494,845
	243,951	5,445	449,835	505,701
Total expenses	\$876,698	\$874,656	\$1,619,430	\$1,886,949

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3. SUMMARY OF QUARTERLY RESULTS

	June 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept.30, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	-	-	-	-	-
Total assets	2,075,976	2,481,942	1,936,731	1,852,882	1,721,787	1,924,862	1,853,903	1,858,854
Working capital surplus(deficiency)	(8,255,048)	(7,502,415)	(7,836,067)	(7,823,731)	(7,140,332)	(6,562,098)	(5,790,578)	(6,037,583)
Head office expense	354,001	343,212	443,034	310,332	402,227	305,287	445,215	273,584
Exploration expense	168,360	85,307	210,887	356,070	305,490	150,873	150,771	247,590
Net loss	(876,698)	(742,732)	(1,333,025)	(1,010,470)	(1,036,023)	(923,822)	(669,061)	(580,414)
Net loss per share ⁽¹⁾	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Note:

(1) Basic and diluted

All costs of exploratory work conducted on the Company's properties are expensed as incurred.

Liquidity and Capital Resources

For the six months ended June 30, 2025, the Company is indebted to Big Mountain Development Corp Ltd. ("Big Mountain") in the amount of \$6,464,636 based on multiple loans granted to the Company by Big Mountain (collectively, the "Big Mountain Loans"). Big Mountain is a related party of the Company, as Frank Marasco Jr., the Company's President and Chief Executive Officer, and Maria Marasco, a director of the Company, along with their family members, own 100% of Big Mountain. The Big Mountain Loans surpassed their maturity date at the end of 2023, and Big Mountain agreed to extend the expiry date of both loans to December 31, 2024 in consideration for the Company paying a loan extension fee to Big Mountain. Subsequent to the year ended December 31, 2024, the maturity dates of the Big Mountain Loans were further extended to December 31, 2026.

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its property exploration and development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity and advances from a related party. Management monitors its financial position on an ongoing basis. Equity has been issued or debt from related and third parties has been obtained to finance the Company's operations, including its drilling programs. Significant capital will be required for the full development of commercial mining production if the RRIM Project at the Record Ridge Property is proven to be an economically viable project.

The Company defines its capital as shareholders' deficit and working capital deficit.

- (a) issuing new shares through a public offering or private placement
- (b) issuing convertible debt; or
- (c) raising fixed or floating rate debt.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on the forbearance of the amounts due to related parties and the Company's ability to obtain financing to continue exploration and evaluation of the mineral

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property and commercialize the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue development activities.

Cash forecasts are done to match spending on general and administration costs and exploration costs to available cash resources. Spending is managed within available funds. The Company seeks capital through the offering of common shares or loans from related parties to fund general and administrative costs and exploration activities. The Company will have to raise additional capital through the issue of shares or other means to repay the amount due to Big Mountain or seek forbearance in connection with loans from Big Mountain.

For the period ended June 30, 2025, the Company had a working capital deficit of \$8,255,048 compared to a working capital deficit of \$ 7,836,067 at December 31, 2024.

The Company is authorized to issue an unlimited number of common shares without par value.

Off-Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Transactions with Related Parties

The Big Mountain Loans are the only transactions the Company currently has with related parties, and the particulars of the Big Mountain Loans are detailed in the table below.

During the year ended December 31, 2024, both Big Mountain Loans were amended to extend the maturity date of both Big Mountain Loans to December 31, 2024. The amendment as assessed under IFRS 9 Financial Instruments (“IFRS 9”) was accounted for as an extinguishment of the original Big Mountain Loans and recognition of the amended Big Mountain Loans at their respective fair values resulting in a loss on extinguishment of \$633,933 which is recorded to contributed surplus as a capital transaction with the related party. Subsequent to the year ended December 31, 2024, the maturity dates of the Big Mountain Loans were further extended to December 31, 2026.

The Company did not receive any additional loans from any of its directors during the year ended December 31, 2024.

	8% loan	10% loan	Total
Balance, December 31, 2023	\$4,067,639	\$1,758,958	\$5,826,597
Accrued interest	141,750	75,963	217,713
Accretion	285,529	134,797	420,326
Balance, June 30, 2025	\$4,494,918	\$1,969,718	\$6,464,636

Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

Subsequent Events

Due to ongoing macroeconomic uncertainty, including potential shifts in international trade policies and supply chain dynamics, the Company is closely monitoring geopolitical developments that could impact global demand and pricing for industrial minerals. As the Company approaches the final stage of securing its mining permit for the extraction and sale of serpentine ore, it continues to assess potential implications for its offtake arrangements with third-party trading partners. While the financial impact of these external

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factors cannot be quantified at this time, they may affect the timing and terms of future sales and revenue generation.

CHANGES IN ACCOUNTING POLICIES

(a) New Accounting Pronouncements

IAS 1 Presentation of Financial Statements

Effective January 1, 2024, the Company adopted amendments to IAS 1 which clarify how conditions that an entity must comply within twelve months after the reporting period affect the classification of a liability with covenants as current or non-current and related disclosure. These amendments had no material impact on the Company's consolidated financial statements.

(b) Future Accounting Pronouncements

The Company reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that the following amendments are applicable to the Company but are not expected to have a material impact:

IFRS 9 and IFRS 7 Financial Instruments: Disclosures ("IFRS 7")

Effective January 1, 2026, amendments to IFRS 9 and IFRS 7 provide:

- clarifications to the "solely payments of principal and interest" test to ensure consistent application while maintaining the principle-based approach;
- refinements to the treatment of modifications to financial assets and liabilities upon derecognition;
- guidance for the treatment of financial liabilities settled through electronic payment systems; and
- additional IFRS 7 disclosure requirements to support classification and measurement rules, including derecognition.

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

Issued in April 2024 and effective January 1, 2027, IFRS 18 provides guidance to enhance transparency and comparability in financial reporting by introducing requirements for the structured presentation of profit or loss, aggregation and disaggregation of financial data, disclosures of management-defined performance measures ("MPMs") and clarity in the classification of operating, investing, and financing activities in the statement of cash flows. New disclosures must reconcile MPMs to IFRS measures, explaining their relevance and calculation.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgements

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Going Concern

The assessment of the Company's ability to execute its strategy for exploration involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is material uncertainty regarding the Company's ability to continue as a going concern.

Property Title

Although the Company takes steps to verify title of exploration and evaluation assets in which it has an interest, however, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected agreements.

Taxes

The Company applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

Mineral Properties

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Company's review considers the following:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and

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- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Share-based compensation

The recognition of expenses associated with the Company's stock option plan requires estimates of the fair value of stock options and warrants granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options and warrants.

Deferred taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Modification versus extinguishment of financial liability

Judgement is required in applying IFRS 9 to determine the amended terms of the loan agreements are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

(a) Cash

Cash includes cash balances with banks.

FINANCIAL INSTRUMENTS

Non-derivative financial instruments are comprised of cash and cash equivalents, restricted deposits, accounts receivable, accounts payable and accrued liabilities, due to related party and long-term debt. Non-derivative financial instruments are initially measured at fair value, then at amortized cost using the effective interest rate method.

The Company does not have significant exposure to interest rate risk. Accounts receivable is comprised predominantly of goods and services taxes and input tax credits.

OTHER MD&A REQUIREMENTS

Record Ridge Property

As at March 31, 2025 exploration and evaluation assets of the Company were \$1,508,364. No amortization is taken on the Company's mineral properties, as production on such properties has not commenced.

Exploration expenditures incurred by the Company prior to the determination of the feasibility of mining operations are expensed as incurred, (see details provided in previous sections.) Mineral property acquisition costs and exploration and development expenditures incurred subsequent to such determination,

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and to increase or to extend the life of existing production, are capitalized and amortized over the estimated life of such properties following the commencement of commercial production. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized on the unit-of-production method based upon estimated reserves as determined by independent consulting engineers. When there is little prospect of further work on a property being carried out by the Company or other indicators of impairment, the capitalized costs associated with the property are written down to their estimated recoverable amount.

Costs to acquire mineral leases, include direct legal costs are capitalized and in mineral properties. The amounts shown for exploration and evaluation assets represent costs incurred to date, less recoveries and write-downs, and are not intended to reflect present or future values.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Equity instruments issued and outstanding:

	August 19, 2025	June 30 2025	December 31 2024
Common Shares	101,238,922	101,238,922	101,239,632
Warrants	16,251,736	16,251,736	18,860,914
Stock Options	9,108,000	9,108,000	9,058,000
Fully diluted	126,598,658	126,598,658	129,158,546

RISK FACTORS

The Company's business is the exploration, development and production of mineral resources. As the Company's business is in an exploration phase, an investment in securities of the Company involves a high degree of risk. Shareholders of the Company should carefully consider all of the information in this document, including the following risk factors, as well as the usual risks associated with an investment in a business at an exploration stage. The risk factors discussed below do not necessarily include all risks associated with the business, operations and affairs of the Company.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercially viable mineral resource.

The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which

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even a combination of careful evaluation, experience, and knowledge cannot eliminate. In addition, there is no assurance that the Company will be able to bring its magnesium mineral resource into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the required government permits required. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

Financial Needs to Maintain Going Concern Status

To date, the Company has not had any revenues from operations. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to continue exploration, development and commercialize of the Record Ridge South Property. There is no certainty that the Company will be able to obtain the financing required to continue its exploration and development activities. Equity financing and related party loans have historically been the Company's source of financing its operations. There can be no assurance that additional financing will be available to the Company, or, if it is, that it will be available on terms acceptable to the Company. If the Company is unable to obtain the financing necessary to support its activities, it may be unable to continue as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies, some of which have greater technical and financing resources than itself with respect to the ability to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities and for financing from third party investors. Competition in the mining industry could adversely affect the Company's prospects for mineral resource exploration in the future and cause the Company to fail to obtain appropriate personnel to pursue its objectives, the financing required to continue its exploration activities or further claims or properties to grow its business and operations.

Title to Properties

While the Company has investigated the title to the Record Ridge Property and all of its claims, the Company cannot guarantee that title to such property and claims will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers are often complex. The Company does not carry title insurance on its Record Ridge Property. A successful claim that the Company does not have title to its Record Ridge Property (or any portion thereof) could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Economic reserves development

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's continued viability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or from the proceeds from disposition of its mineral properties.

Related Party Debt

Related party debt is secured by the General Security Agreement and in the event of default by the Company, Big Mountain would be in a position to act on its security to obtain payment of the debt owed to it. The Company anticipates Big Mountain's continued support and expects that it will be able to negotiate annual

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renewals of its related party loans with Big Mountain or obtain additional financing from Big Mountain; however, should Big Mountain take actions which are not favorable to the Company, it may result in a material adverse effect on the business, operations or future prospects of the Company.

Commodity Pricing Risk

The Company is not currently producing and selling any mineral resources; however, a decrease in the interest of investors in magnesium (which may be caused by decreased commodity prices) could have a material adverse effect on the Company's ability to obtain ongoing financing and future off-takers.

Environmental Risk

Environmental regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations or inhibit the Company's ability to successfully act to develop its mineral resources.

Reliance on Technical Experts

Exploration and development involve securing the services of and reliance on technical experts, particularly in the areas of drilling, assay testing and analysis, metallurgy, geology, resource analysis and reporting. The Company's inability to obtain the services of such technical experts may have a material adverse effect on the Company's ability to proceed with its exploration and development plans.

Dilution to the Company's existing shareholders

The Company will likely require additional equity financing to be raised in the future. The Company may issue securities at terms more favourable than those at which existing shareholders acquired common shares of the Company to raise sufficient capital to fund the Company's business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial dilution, to present and prospective holders of common shares

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business and operations is available on the Company's profile on SEDAR and on the Company's website at www.whyresources.com. Copies of the information can also be obtained by contacting the Company at (403) 660-3488 or by email to Frank Marasco Jr., the Company's President and Chief Executive Officer, at frank@whyresources.com.

Corporate Information

BOARD OF DIRECTORS:

Frank Marasco Jr., President and Chief Executive Officer
Patricia L. Nelson ⁽¹⁾/₍₂₎
Barry Baim, ⁽¹⁾/₍₂₎
Fouad Kamaledine
Maria Marasco

Notes:

- 1) Member of Audit Committee
- 2) Member of Compensation and Governance Committee

OFFICERS

Frank Marasco Jr. - President and Chief Executive Officer
Barry Balm - Corporate Secretary
Shelina Hirji, Chief Financial Officer

STOCK EXCHANGE LISTING:

TSX Venture Exchange
Trading Symbol: WHY

AUDITORS:

MNP LLP
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT:

TSX Trust Company,
Calgary, Albert